

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 MC-02 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 L-02

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 DODE-00 PM-03 H-02 PA-01 PRS-01 USIA-06

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P R 241241Z MAR 75

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC PRIORITY 8519

INFO AMCONSUL ADANA

AMCONSUL ISTANBUL JOEPI

AMCONSUL IZMIR

USMISSION OECD PARIS

USMISSION EC BRUSSELS

USAFE SEMBACK AB GER/DPC

USAFE RAMSTEIN AB GER/LPG

DCDR USASA (EUR) HEIDELBERG GER

CDR USASA AHS ARLINGTON ATTN: LOG

NSACSS FORT MEADE MD

AFOSI WASHDC/NDA

EES/GC MCGRAW KASERN MUNICH GER

C O N F I D E N T I A L ANKARA 2375

EO 11652 GDS

TAGS: ELAB, TU

SUBJECT: TUSLOG/BOEING COLLECTIVE BARGAINING CONTRACT

REF: ANKARA A-25

BEGIN SUMMARY: THE COLLECTIVE BARGAINING NEGOTIATING SCHEDULE
BETWEEN TUSLOG/BOEING AND THE TURKISH DEFENSE WORKERS
UNION HAS BEEN DELAYED; TALKS HAVE NOT BEGUN AS YET. DELAY
IS ESSENTIALLY PROCEDURAL. FOLLOWING IS A PRELIMINARY ASSESS-
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MENT OF THOSE PERSONS MOST CLOSELY CONNECTED WITH THE BARGAIN-

ING ON THE EXPECTED COSTS. THESE WILL BE EXPENSIVE AND WILL PRESUMABLY BE SOMEWHAT IN THE NEIGHBORHOOD OF 35 PERCENT PER YEAR INCREASE IN EACH OF TWO YEARS. END SUMMARY.

1. THE UNION PRESENTED A LARGE SHOPPING BASKET OF DEMANDS ON FEBRUARY 21. THESE PROBABLY INCLUDE ALL THE DESIRES OF ALL THE LOCAL UNION OFFICIALS INVOLVED WITH NO OR VERY LITTLE REFINEMENT FOR THE NATION-WIDE CONTRACT; WORKSITE CONTRACT DEMANDS HAVE NOT BEEN PRESENTED AS YET, AND ESSENTIALLY THIS IS CAUSING THE DELAY. THE DEMANDS ON TOP OF THE CURRENT PAYROLL ADD UP IN A TWO-YEAR TOTAL PROGRAM LABOR COST OF APPROXIMATELY \$98.5 MILLION. NO ONE RPT NO ONE, INCLUDING MAJOR UNION OFFICIALS, EXPECT THESE DEMANDS CAN BE OBTAINED.

2. REALISTICALLY, HOWEVER, ON THE BASIS OF HIGH WAGE AND FRINGE BENEFIT INCREASES IN MAJOR TURKISH COLLECTIVE CONTRACTS SIGNED IN THE PAST YEAR, THE CONTRACT ABOUT TO BE NEGOTIATED SHOULD FALL IN THE SAME RANGE AND ALSO BE EXPENSIVE. A CONSENSUS OF VIEWS OF THE U.S. PERSONNEL CLOSELY CONCERNED WITH CONTRACT TERMS IS THAT THE RANGE OF INCREASE IN THE SETTLEMENT WILL BE SOMEWHERE BETWEEN 60 TO 80 PERCENT OVER THE TWO-YEAR PERIOD. THE MID-RANGE OF THIS CONSENSUS, OR 70 PERCENT, WOULD INCREASE THE PRESENT PAYROLL DURING THE FIRST YEAR OF THE CONTRACT BY \$6.3 MILLION (INCREASING THE PAYROLL TO \$24.4 MILLION). AN ADDITIONAL \$6.3 MILLION WOULD BE ADDED TO THAT PAYROLL AT THE BEGINNING OF THE SECOND YEAR OF THE CONTRACT ON APRIL 1, 1976, INCREASING THE TOTAL PAYROLL TO \$30.7 MILLION. THE TOTAL PROGRAM LABOR COSTS FOR THE TWO YEARS WOULD THEREFORE AMOUNT TO ABOUT \$55.1 MILLION (\$36.2 MILLION IF NO INCREASES WERE GRANTED).

3. IN PRELIMINARY, INFORMAL DISCUSSIONS, THE UNION PRESIDENT ADMITTED THAT THE ORIGINAL DEMANDS WERE HIGH BECAUSE OF PRESSURE FROM THE LOCAL CHAIRMEN, AND HE ACKNOWLEDGED THE DEMANDS COULD NOT BE OBTAINED. HE HINTED, HOWEVER, AT A POSSIBLE FINAL SETTLEMENT: THE PRESENT COST-OF-LIVING INCREASE IN TURKEY, PLUS 7 PERCENT PER YEAR IN EACH OF TWO YEARS. HE DID NOT DEFINE WHAT HE MEANT BY "COST-OF-LIVING" BUT ADDED THAT HE WOULD ACCEPT U.S. FIGURES BOTH IN 1974 AND 1975. VERY ROUGH CALCULATIONS ON
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THIS BASIS WOULD GIVE A PERCENTAGE CONTRACT INCREASE OF BETWEEN 30 TO 40 PERCENT IN EACH OF THE TWO-YEAR CONTRACTS, DEPENDING UPON WHICH COST-OF-LIVING FIGURES COULD BE AGREED UPON.

4. COMMENT: THIS IS A PRELIMINARY ESTIMATE, AND PERIODIC REPORTS WILL BE MADE AS THE NEGOTIATIONS PROCEED AND AS DIFFERENCES ARE NARROWED. RELATIONSHIPS ARE STILL CORDIAL. THERE ARE, HOWEVER, A FEW UNION DEMANDS THAT COULD COMPLICATE THE

BARGAINING: (1) A WAGE STRUCTURE WITH ANNUAL INCREMENTS FOR BOEING WORKERS SIMILAR TO THE TUSLOG PAY STRUCTURE; (2) THE EQUIVALENT OF A PORTAL-TO-PORTAL PAY FOR A NUMBER OF BOEING AND TUSLOG WORKERS, AND (3) A FIVE-DAY WEEK NOT NECESSARILY WITH REDUCTION IN HOURS WORKED FOR BOTH THE TUSLOG AND BOEING EMPLOYEES.

NEITHER TUSLOG/BOEING NOR THE UNION HAS MENTIONED WHAT MIGHT HAPPEN IF, AS REPORTED IN THE PRESS, THE TURKISH GOVERNMENT WERE TO CLOSE DOWN ONE OR MORE U.S. FACILITIES WHERE THE TURKISH WORKERS ARE EMPLOYED IN RETALIATION FOR THE CONGRESSIONAL MILITARY AID CUTOFF AGAINST TURKEY. HOWEVER, THIS POSSIBILITY CERTAINLY UNDERLIES THE UNION'S DEMANDS TO HAVE SEVERANCE PAY INCREASED FROM 28 TO 45 DAYS FOR EACH YEAR OF EMPLOYMENT AS PROTECTION TO ITS MEMBERS.
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